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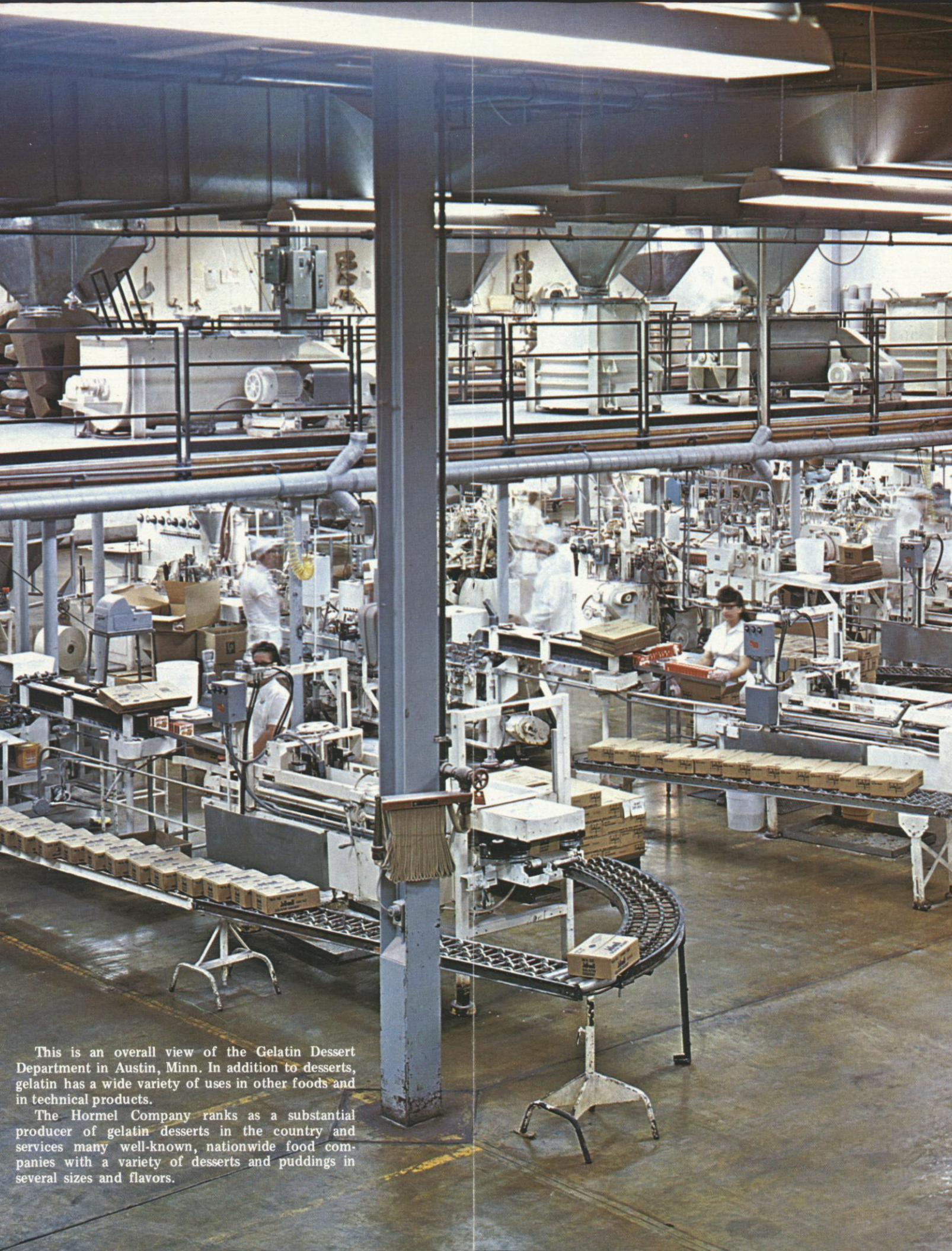


Hormel

ANNUAL REPORT

GEO. A. HORMEL & COMPANY / AUSTIN, MINNESOTA 55912
FISCAL YEAR ENDED OCTOBER 26, 1974





This is an overall view of the Gelatin Dessert Department in Austin, Minn. In addition to desserts, gelatin has a wide variety of uses in other foods and in technical products.

The Hormel Company ranks as a substantial producer of gelatin desserts in the country and services many well-known, nationwide food companies with a variety of desserts and puddings in several sizes and flavors.

The Hormel Company has done more in the past five years to improve its capacity for growth than at any comparable period in its history. This ambitious investment program has aided in the introduction of new products and improvement of the quality and convenience of products already in the marketplace.





A view of the new Central Assembly Department at the Austin, Minn., plant. Over 3,000,000 pounds of product can be held in this 19,480 square foot building which has a ceiling height of 32 feet — equivalent to a three-story building.

1974

Hormel

FINANCIAL
SECTION

Ten Year Review

(In thousands of dollars)

OPERATIONS	1974	1973	1972
Net Sales	$943,163	$825,671	$719,755
Net Earnings	17,369	7,403	7,788
Per Cent of Sales	1.84%	.90%	1.08%
Wage Costs	151,052	129,419	129,277
Total Taxes	18,094	8,717	9,431
Depreciation	7,667	7,125	6,417
FINANCIAL POSITION			
Working Capital	$ 48,659	$ 34,256	$ 39,275
Properties (net)	74,392	67,481	60,178
Total Assets	193,696	179,950	149,468
Stockholders' Investment	117,932	104,654	101,187
PER SHARE OF COMMON STOCK*			
Net Earnings	$3.62	$ 1.54	$ 1.63
Dividends	.84	.81	.78
Stockholders' Investment	24.55	21.77	21.04

*Adjusted for Stock Split.

**53 Weeks

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

1971	1970**	1969	1968	1967	1966	1965
$686,487	$695,768	$626,017	$585,879	$548,819	$491,733	$441,600
16,664	9,933	9,236	9,134	8,658	3,511	4,351
2.43%	1.43%	1.48%	1.56%	1.58%	.71%	.99%
127,775	116,921	104,325	98,519	91,409	78,399	78,618
19,053	12,648	12,260	11,833	9,633	4,774	4,950
5,435	4,918	3,830	3,578	3,417	3,198	2,902
$ 43,646	$ 37,818	$ 39,339	$ 40,497	$ 37,707	$ 33,489	$ 26,668
51,841	45,683	38,767	32,211	29,164	28,293	28,248
153,144	129,416	115,788	108,484	104,898	86,096	80,274
96,175	83,081	76,480	70,220	63,407	57,188	55,306
$ 3.50	$ 2.09	$ 1.94	$ 1.92	$ 1.82	$ .74	$ .91
.75	.70	.625	.4875	.5125	.35	.40
20.20	17.45	16.07	14.75	13.32	12.01	11.62

Statement of Consolidated Financial Position

ASSETS	October 26, 1974	October 27, 1973
CURRENT ASSETS		
Cash	$ 15,062,359	$ 15,011,840
Accounts receivable, less allowance of 1974 — $182,500; 1973 — $100,000	44,316,840	41,805,376
Inventories of products, livestock, packages and materials—at lower of cost (principally first-in, first-out) or replacement market	55,915,827	52,208,351
Prepaid insurance and other expenses	1,067,764	526,784
TOTAL CURRENT ASSETS	116,362,790	109,552,351
INVESTMENTS AND OTHER ASSETS	2,941,504	2,916,576
PROPERTY, PLANT AND EQUIPMENT — on the basis of cost		
Land	2,040,550	1,740,336
Buildings	49,490,782	46,211,892
Equipment	73,367,614	59,640,148
Construction in progress — Note B	7,698,785	12,800,088
Allowance for depreciation (deduction)	(58,205,999)	(52,911,078)
	74,391,732	67,481,386
	$193,696,026	$179,950,313

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

	October 26, 1974	October 27, 1973
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
CURRENT LIABILITIES		
Notes payable	$ 1,266,000	$ 21,023,883
Accounts payable and accrued expenses	56,807,330	49,503,335
Dividend payable November 15	1,008,684	973,240
Federal income taxes	8,622,174	3,795,983
TOTAL CURRENT LIABILITIES	67,704,188	75,296,441
LONG-TERM DEBT — Note C	8,060,000	—
STOCKHOLDERS' INVESTMENT		
Preferred Stock, par value $100 a share; authorized — 50,000 shares; issued — none		
Common Stock, par value $1.875 a share; authorized — 6,000,000 shares; issued — 4,808,258 shares, including shares in treasury	9,015,484	9,015,484
Additional paid-in capital	2,852,002	2,852,002
Earnings reinvested in business — Note C	106,164,352	92,829,366
Treasury stock — at cost; 1974 — 5,000 shares; 1973 — 2,149 shares	(100,000)	(42,980)
	117,931,838	104,653,872
	$193,696,026	$179,950,313

See notes to consolidated financial statements.

Statement of Changes in Consolidated Stockholders' Investment

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

	Common Stock	Additional Paid-In Capital	Earnings Reinvested in Business	Treasury Stock
Balance at October 28, 1972....	$9,015,484	$2,852,002	$ 89,319,819	$ —
Acquisition of 2,149 shares.....				(42,980)
Net earnings for the year.....			7,402,941	
Cash dividends — $.81 a share..			(3,893,394)	
Balance at October 27, 1973....	9,015,484	2,852,002	92,829,366	(42,980)
Acquisition of 2,851 shares.....				(57,020)
Net earnings for the year.....			17,368,568	
Cash dividends — $.84 a share..			(4,033,582)	
Balance at October 26, 1974....	$9,015,484	$2,852,002	$106,164,352	($100,000)

See notes to consolidated financial statements.

Statement of Consolidated Earnings

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

	Fiscal Year Ended	
	October 26, 1974	October 27, 1973
Sales, less returns and allowances	**$943,162,738**	$825,670,697
Interest and other income	**289,963**	172,523
	943,452,701	825,843,220
Cost and expenses:		
Cost of products sold	**819,261,696**	739,212,836
Selling and delivery expenses	**73,012,376**	60,548,631
Administrative and general expenses	**12,982,402**	10,021,331
Interest	**4,952,659**	1,930,481
	910,209,133	811,713,279
EARNINGS BEFORE INCOME TAXES	**33,243,568**	14,129,941
Provision for income taxes	**15,875,000**	6,727,000
NET EARNINGS (Per share 1974 — $3.62; 1973 — $1.54)	**$ 17,368,568**	$ 7,402,941

See notes to consolidated financial statements.

Statement of Changes in Consolidated Financial Position

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

	Fiscal Year Ended	
	October 26, 1974	October 27, 1973
Working capital at beginning of year	$ 34,255,910	$ 39,274,821
Additions:		
From operations:		
Net earnings for the year	17,368,568	7,402,941
Provision for depreciation	7,667,082	7,124,850
	25,035,650	14,527,791
Increases in long-term debt	8,060,000	—
Carrying value of disposals of property, plant and equipment	204,973	692,939
	33,300,623	15,220,730
Deductions:		
Additions to property, plant and equipment	14,782,401	15,121,287
Cash dividends on Common Stock	4,033,582	3,893,394
Purchase of treasury stock	57,020	42,980
Increase in investments and other assets	24,928	1,181,980
	18,897,931	20,239,641
Increase (decrease) in working capital	14,402,692	(5,018,911)
Working capital at end of year	$ 48,658,602	$ 34,255,910
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	$ 50,519	$ 2,292,475
Marketable securities	—	(3,900,000)
Accounts receivable	2,511,464	10,419,204
Inventories	3,707,476	13,901,345
Prepaid expenses	540,980	(716,576)
	6,810,439	21,996,448
Increase (decrease) in current liabilities:		
Notes payable	(19,757,883)	21,023,883
Accounts payable and accrued expenses	7,303,995	4,793,811
Dividend payable	35,444	35,629
Federal income taxes	4,826,191	1,162,036
	(7,592,253)	27,015,359
Increase (decrease) in working capital	$ 14,402,692	($ 5,018,911)

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

October 26, 1974 and October 27, 1973

Note A — ACCOUNTING POLICIES

Principles of Consolidation — The consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries. All significant intercompany accounts, transactions, and profits have been eliminated in consolidation. Investments in foreign companies (the Company's investment does not exceed 50% in any foreign operating company) are included in the financial statements at the Company's equity therein. The excess of the cost of acquisitions over the Company's equity in net assets acquired is not material in amount and is being amortized over periods of ten to forty years.

Depreciation, Maintenance and Repairs — Depreciation of property, plant and equipment is provided principally by accelerated methods approximating the double-declining balance method. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful life of the assets are capitalized.

Research and Development Costs — Research and development costs are expensed as incurred.

Pension Plans — The Company has several pension plans covering substantially all of its employees. The Company's policy is to fund pension costs accrued which includes amortization of prior service costs over a period of thirty years from the date of inception or date of amendment of the plans.

Translation of Foreign Currencies — Property, plant and equipment and deferred charges are translated at rates of exchange in effect when acquired. All other assets and liabilities are translated at the rate of exchange in effect at the close of the period. Revenue and expense accounts are translated at a weighted average of exchange rates which were in effect during the year, except for depreciation and amortization which are translated at the rates of exchange which were in effect when the respective assets were acquired. Exchange adjustments (immaterial in amount in each year) are included in income as they occur.

Income Taxes — Provision is made for income taxes payable. No provision is made for deferred income taxes as there are no material timing differences between financial and taxable income. The investment tax credit, 1974 — $1,037,000; 1973 — $423,000, has been used to reduce the income tax provision (flow-through method).

Earnings Per Share — Earnings per share of Common Stock are based on the weighted average number of shares outstanding.

Note B — CONSTRUCTION IN PROGRESS

Construction in progress at October 26, 1974 will cost approximately $18,500,000 to complete a slaughtering-processing plant in Ottumwa, Iowa, a processing plant in Houston, Texas and various additions and modifications to other plants.

Notes to Consolidated Financial Statements (CONTINUED)

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

Note C — LONG-TERM DEBT

At October 26, 1974 long-term debt consisted of:

Term loan with bank, interest at ¾% over prime rate payable June 28, 1978	$4,000,000
Revolving credit agreement	3,100,000
Capitalized lease	960,000
TOTAL	$8,060,000

Under an agreement with a group of banks providing revolving credit of $30,000,000 through September 30, 1977, the Company may convert, at that date, all or any portion of the commitment into term notes payable in four annual installments beginning September 30, 1978. Interest is at the lender's prime rate to September 30, 1976, ¼% over prime for the next year, and ½% over prime thereafter. The agreement includes restrictions on liens, indebtedness, leases, cash dividends, etc. The payment of dividends after October 26, 1974 is limited to $5,000,000 plus 50% of net earnings or minus 100% of net losses.

The Company is liable under a lease agreement for facilities financed by Industrial Development Revenue Bonds. For financial statement purposes, the Company has treated this transaction as a purchase. The scheduled payment for November 1, 1974 of $40,000 has been paid.

Note D — PENSION PLANS

The total pension expense was $8,863,000 for 1974 and $7,826,300 for 1973. An increase during 1974 in the level of benefits provided by certain of the plans had the effect of decreasing net income by $418,000 or $.09 per share. A similar increase in the level of benefits becomes effective in 1975. The actuarially computed value of vested benefits for all plans as of the most recent valuation date exceeded the total of the pension funds at October 26, 1974 by approximately $53,240,000 of which $13,430,000 resulted from the increase in the level of benefits referred to above.

Note E — LEASES

Rental expense and future lease commitments are not material.

Accountants' Report

ERNST & ERNST

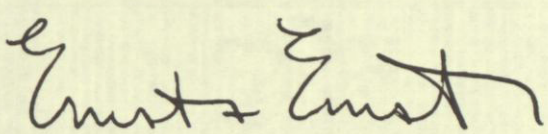
FIRST NATIONAL BANK BLDG.

MINNEAPOLIS, MINN. 55402

To the Stockholders and
Board of Directors
Geo. A. Hormel & Company
Austin, Minnesota

We have examined the statements of consolidated financial position of Geo. A. Hormel & Company and subsidiaries as of October 26, 1974 and October 27, 1973 and the related statements of consolidated earnings, stockholders' investment and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying aforementioned financial statements present fairly the consolidated financial position of Geo. A. Hormel & Company and subsidiaries at October 26, 1974 and October 27, 1973 and the consolidated results of their operations, changes in stockholders' investment and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

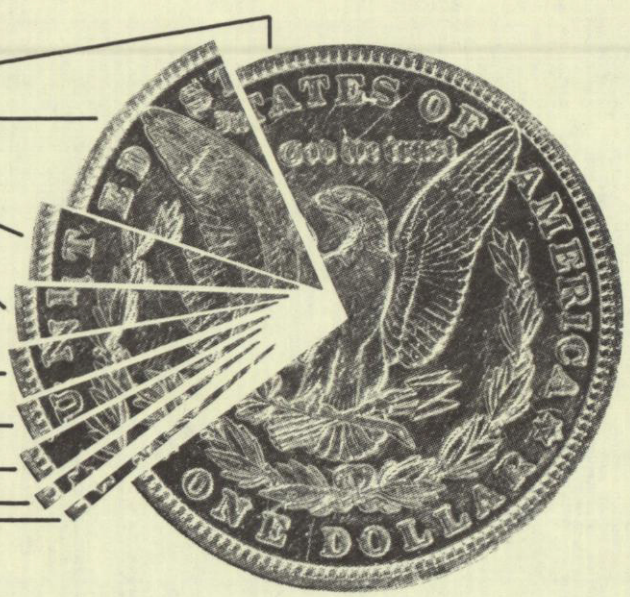


Minneapolis, Minnesota
November 19, 1974

Distribution of Sales Dollar

GEO. A. HORMEL & COMPANY AND SUBSIDIARIES

	Cents—Sales Dollar
Cost of Livestock, Supplies, etc.	71.27¢
Wages and Salaries	13.33¢
Manufacturing, Selling and Other Expenses	4.53¢
Transportation Costs	3.09¢
Employee Benefits	2.68¢
All Taxes	1.92¢
Net Earnings	1.84¢
Depreciation	.81¢
Interest Cost	.53¢
Total	100.00



Financial Highlights of the Year

	1974	1973
Net Sales	$943,162,738	$825,670,697
Net Earnings after taxes	$ 17,368,568	$ 7,402,941
Per Share of Common Stock	$3.62	$1.54
Per cent of Sales	1.84%	.90%
Dividends to Stockholders	$ 4,033,582	$ 3,893,394
Per Share	$.84	$.81
Capital Expenditures	$ 14,782,401	$ 15,121,287
Depreciation	$ 7,667,082	$ 7,124,850
Working Capital	$ 48,658,602	$ 34,255,910
Stockholders' Investment	$117,931,838	$104,653,872

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4 The Year in Review

6 Food Prices

8 An Investment in Tomorrow

12 Serving Consumers at Home and Away

18 International Operations

20 Notice of Annual Meeting of Shareholders

Board of Directors

Board Chairman M. B. Thompson's retirement, and other important changes on the Board of Directors, characterize fiscal 1974.



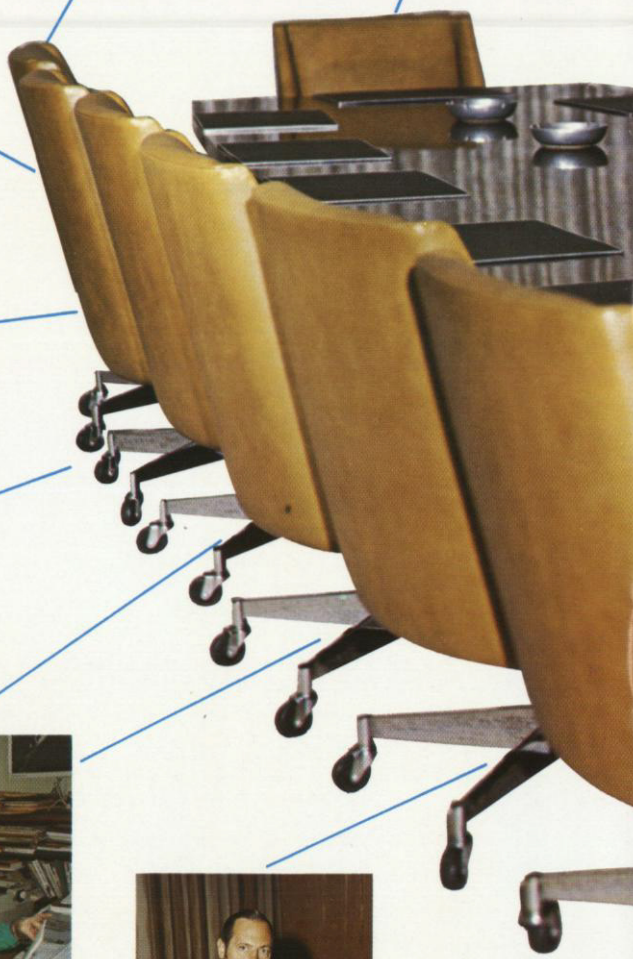
Raymond J. Asp

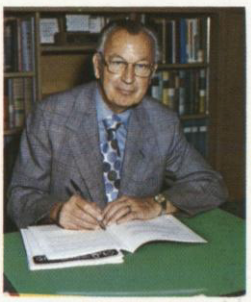


I. J. Holton

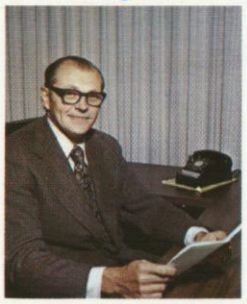


Lee D. Housewright, Jr.





Elmer L. Andersen



Robert F. Potach



Geri M. Joseph



Bruce Corey

Much of the progress made by the Hormel Company in recent years has been due to the effective leadership of M. B. Thompson, who retired as chairman of the board and as a member of the Hormel Board of Directors on July 22, 1974.

He had served as chief executive officer of the Company for four years, first as president and then as chairman of the board. He made many lasting contributions to the Hormel organization during his 43 years of dedicated service.

Four New Members On Hormel Board of Directors

Several other major changes occurred on the Hormel Board of Directors during fiscal 1974.

Dr. Herrell F. DeGraff, agricultural economist, educator and, for many years, a well-known meat packing industry trade association leader, was elected a director on November 28, 1973.

Donald R. Grangaard, president and chief executive officer of the First Bank System, Minneapolis, Minn., was elected a director on July 22, 1974, filling the vacancy created by M. B. Thompson's resignation.

The Company's Board of Directors was further strengthened on August 30 by the election of Mrs. Geri M. Joseph, well-known columnist and community leader in the Minneapolis-St. Paul, Minn., area.

Richard L. Knowlton Also Named Vice-President

Richard L. Knowlton, an Austin, Minn., native and a 22-year Hormel employee, was elected a Company vice-president and a member of the Hormel Board of Directors on September 23. This increased to 13 the number of directors on the Hormel Board.

Knowlton assumed responsibility for the Company's Beef, Pork and Refineries Divisions and operations at the Austin, Fort Dodge, Iowa, and Fremont, Neb., plants — the three largest within the Hormel organization.

The increasing representation by independent, knowledgeable and experienced individuals on the Board brings further objectivity to the Company's involvement in broader areas and additional perspective and sensitivity to matters of social responsibility.

Directors

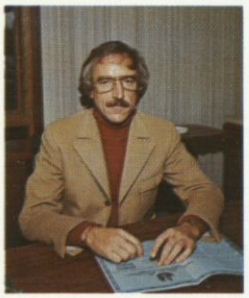
E. C. Alsaker
Elmer L. Andersen
Raymond J. Asp
Bruce Corey
Herrell F. DeGraff
Robert M. Gill
Donald R. Grangaard
I. J. Holton
James C. Hormel
Lee D. Housewright, Jr.
Geri M. Joseph
Richard L. Knowlton
Robert F. Potach

Officers

I. J. Holton . . . . . President
Raymond J. Asp . . . . . Group Vice President
Lee D. Housewright, Jr. . . . . Group Vice President
Bruce Corey . . . . . Vice President
N. D. Gahagen . . . . . Vice President
Robert M. Gill . . . . . Vice President
Clayton T. Kingston . . . . . Vice President
Richard L. Knowlton . . . . . Vice President
James A. Silbaugh . . . . . Vice President
Donald S. Sorenson . . . . . Vice President
E. C. Alsaker . . . . . Treasurer
Charles D. Nyberg . . . . . Secretary
Robert F. Potach . . . . . Controller
Don J. Hodapp . . . . . Assistant Controller
Richard W. Schlange . . . . . Assistant Controller
Walter B. Stevens . . . . . Assistant Treasurer
Robert J. Thatcher . . . . . Assistant Treasurer



Richard L. Knowlton



James C. Hormel



Donald R. Grangaard



E. C. Alsaker



Herrell F. DeGraff



Robert M. Gill



The Year in Review

All-time highs in sales, net earnings and earnings per share were recorded in fiscal 1974. Dividend rate to shareholders is increased.

Reflecting a high level of performance in all operating segments of the Company, 1974 proved to be a record year for Hormel.

Earnings rose to a record $17,369,000, compared to $7,403,000 in fiscal 1973. Earnings attributable to each share of common stock amounted to $3.62, compared to $1.54 per share in 1973. Earnings amounted to 1.8 cents per dollar of sales.

Eligible Hormel Company employees shared in Joint Earnings (profit sharing) for the 36th consecutive year, receiving $4,163,000 in 1974. A total of $48,462,000 has been allocated to employees since the beginning of the Joint Earnings program.

Dollar Sales are $943,163,000; Sales Tonnage is Up

Record sales for 1974, after returns and allowances, were $943,163,000, an increase of $117,492,000 over the prior year. Most of the increase was attributable to increased sales tonnage.

Substantial gains were recorded in the tonnage of processed products sold.

Capital Investment Expenditure is Near $15 Million

Additions to property, plant and equipment totaled $14,782,000 in 1974. Over $65 million has been spent on capital investments during the past five years. Approximately $18,500,000 will be required to complete a slaughtering and processing plant in Ottumwa, Iowa, a processing plant in Houston, Texas, and additions to other Company plants.

Depreciation for the fiscal year 1974 was $7,667,000, an increase over last year of $542,000.

Dividend Rate To Shareholders Is Increased

Cash dividends on common stock were increased in February, 1974, within the limits allowed by the Government. Dividends paid and accrued during the fiscal year were $4,034,000.

After the close of the fiscal year, the regular quarterly dividend rate was again increased, effective February 15, 1975, from 21 cents a share to 23 cents a share — a 9.5 per cent improvement.

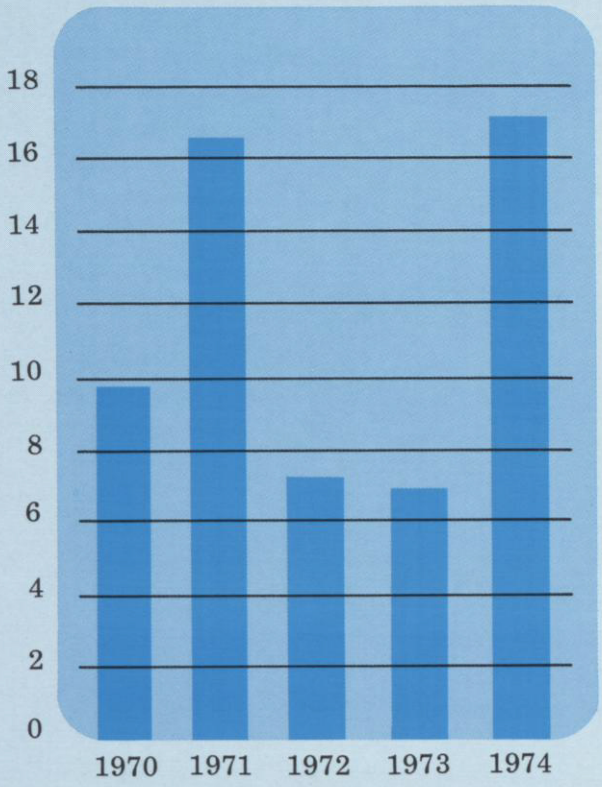
Geo. A. Hormel & Company has paid dividends for 46 consecutive years.

Over $8 Million Added to Employee Pension Trusts

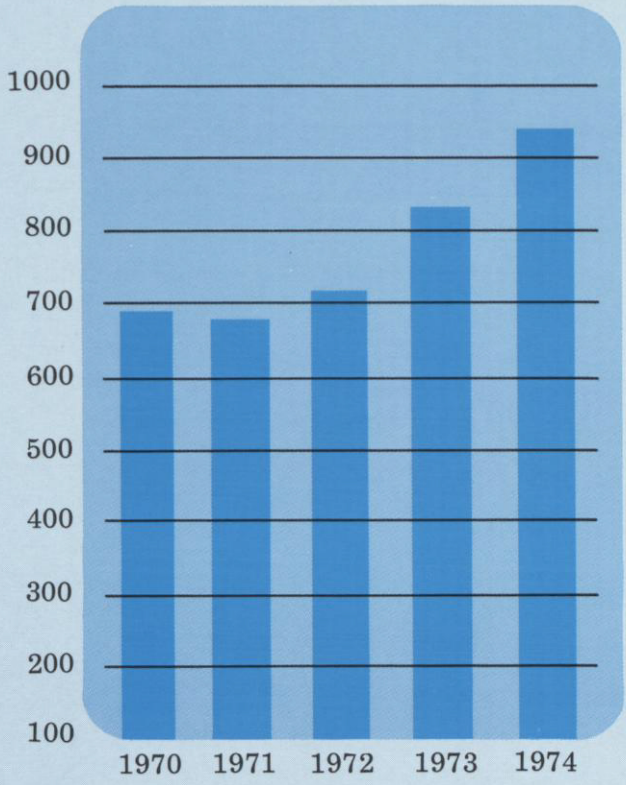
The provision for current and past services under the Employee Pension Trusts for the year amounted to $8,863,000.

Past service costs are amortized over a period of 30 years from the date of inception or date of amendment of the plans.

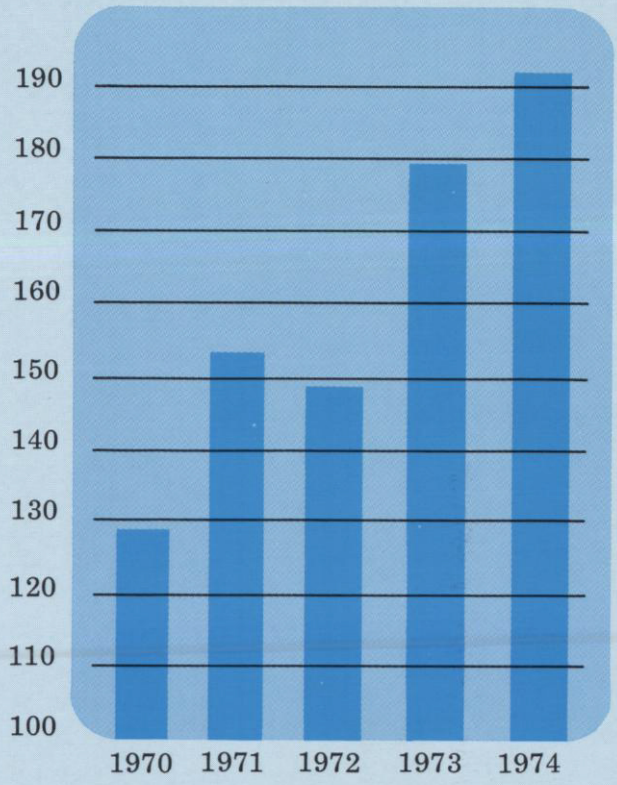
NET EARNINGS
in millions



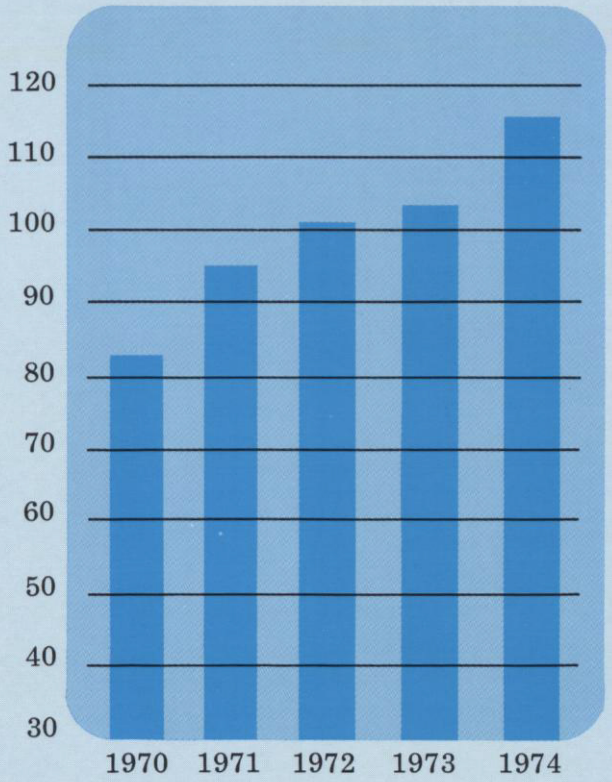
SALES
in millions



TOTAL ASSETS
in millions



SHAREHOLDERS' INVESTMENT
in millions



Stockholders' Investment Is Increased to $117,932,000

Stockholders' investment on October 26, 1974, amounted to $117,932,000. On this basis, the book value of common stock outstanding was $24.55 per share.

Revolving Credit Agreement Executed By Company

Short-term borrowings from banks were at record levels during the past year. Although Company interest rates are based on the prime rate, interest expense increased by $3,000,000 over 1973.

In October, 1974, a $30,000,000 Revolving Credit Agreement, with an option to convert to a Term Loan, was executed by the Company with three of its large banks.

Favorable Labor Relations Maintained By Hormel Company

All Hormel Company plants continue to enjoy the excellent labor relations which have become characteristic of the organization. Although the pressures of increased labor costs are not expected to diminish, the Company looks forward to continuing good relations with its employees and with the numerous unions which represent them.

Benefit plans were supported by the Hormel Company in whole or in part during fiscal 1974.

The benefit programs are designed to help employees provide financial security for themselves and their families. Additionally, during 1974, substantial sums were expended in improving employee service facilities, including locker rooms, parking and on-the-job welfare facilities.

Inflation Recognized As a Worldwide Problem

As we closed our 1974 fiscal year, inflation was recognized as the foremost problem of the nation and the world. It is universally agreed that corrective measures must be taken to modify the rate of inflation. In many cases, these measures are likely to be painful or, at best, uncomfortable.

The consumer has been charged with the responsibility of reducing consumption, the producer and processor with increasing production and everyone, including the politician, is being asked to balance his budget.

At this point in our economic cycle, employees and companies in the durable goods segment are typically faced with drastic adjustment. Companies producing non-durables are affected to a lesser degree because of the relative inelasticity in demand for their products.

Economists are predicting a lessening of inflation in 1975. In the case of your Company, packages and supplies, although increasingly expensive, are available. Borrowings continue to be high but short and intermediate term interest rates are easing.

Every effort will be exerted by the Hormel Company to increase efficiency and reduce operating costs, thereby contributing to the problem of solving inflation.

Hog and Cattle Projections For 1975

It is anticipated that hog supplies will be down in 1975. Projections are that approximately 10 per cent fewer hogs will be marketed during the year with the sharpest reduction occurring during the March-August period.

Cattle supplies are expected to be adequate in 1975. It is likely that more cattle will be marketed at lighter weights with less finish than has been the case in recent years — a reflection of the shortage of the 1974 feed grain crops. A sizable crop in 1975 could change the trend, but not noticeably before the end of our fiscal year.

We are quick to acknowledge that the excellent results of 1974 could not have been achieved without the support, cooperation and loyalty of our employees, customers, livestock producers, shareholders and suppliers.





To millions of families from coast-to-coast, the pocketbook pinch from food costs feels worse than ever. Concern, frustration and, sometimes, anger have been expressed by homemakers when buying food for the family table.

Shoppers ask:

"Why are food prices so high?"

"Is the retailer the culprit, or is it the wholesaler, processor or farmer?"

Sometimes, they will direct their question to us: "What is Hormel doing about it?"

The Hormel Company, like other food manufacturers and retailers, is deeply concerned about the current trend of food prices. Yet, the basic facts remain that depletion of post World War II food surpluses, growing demand for food from an increasing population with rising incomes, and inflation have been major elements in today's spiraling prices.

These factors, coupled with steadily rising costs of doing business, make it virtually inevitable that food prices will remain a matter of vital public concern for some time to come.

Price increases in Hormel products during the past year have been largely a reflection of increases in costs. Livestock prices fluctuated widely during the year. Hormel prices have been up and down with them. Other ingredients such as sugar, spices, potatoes, carrots and beans, for example, have been caught in a cost spiral.

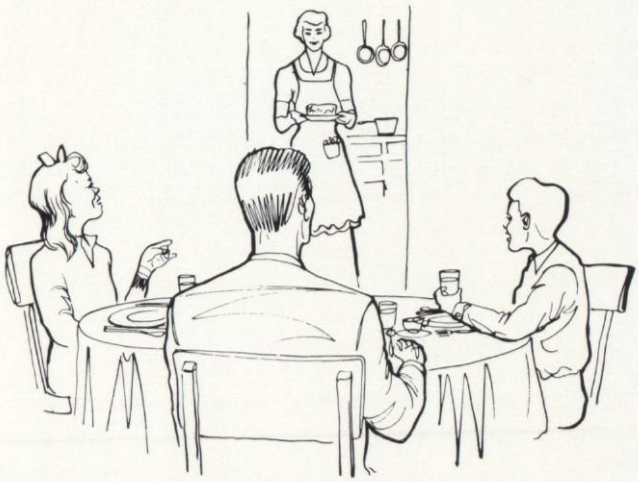
Rapidly rising costs of fuel, packaging, and other materials have likewise contributed to higher food prices, as have increased labor, transportation, warehousing and distribution costs.

These are some of the factors affecting today's food prices. No one segment of the food industry is to blame for the waves of price increases faced by the consumer.

But, "What is Hormel doing about it?"

Constant effort continues to control costs and increase efficiency as a means of keeping prices as low as possible. Every phase of Company operations — manufacturing, packaging, distribution — is being examined to insure top efficiencies. At the same time, Hormel people strive to maintain the highest possible standards of quality in every item.

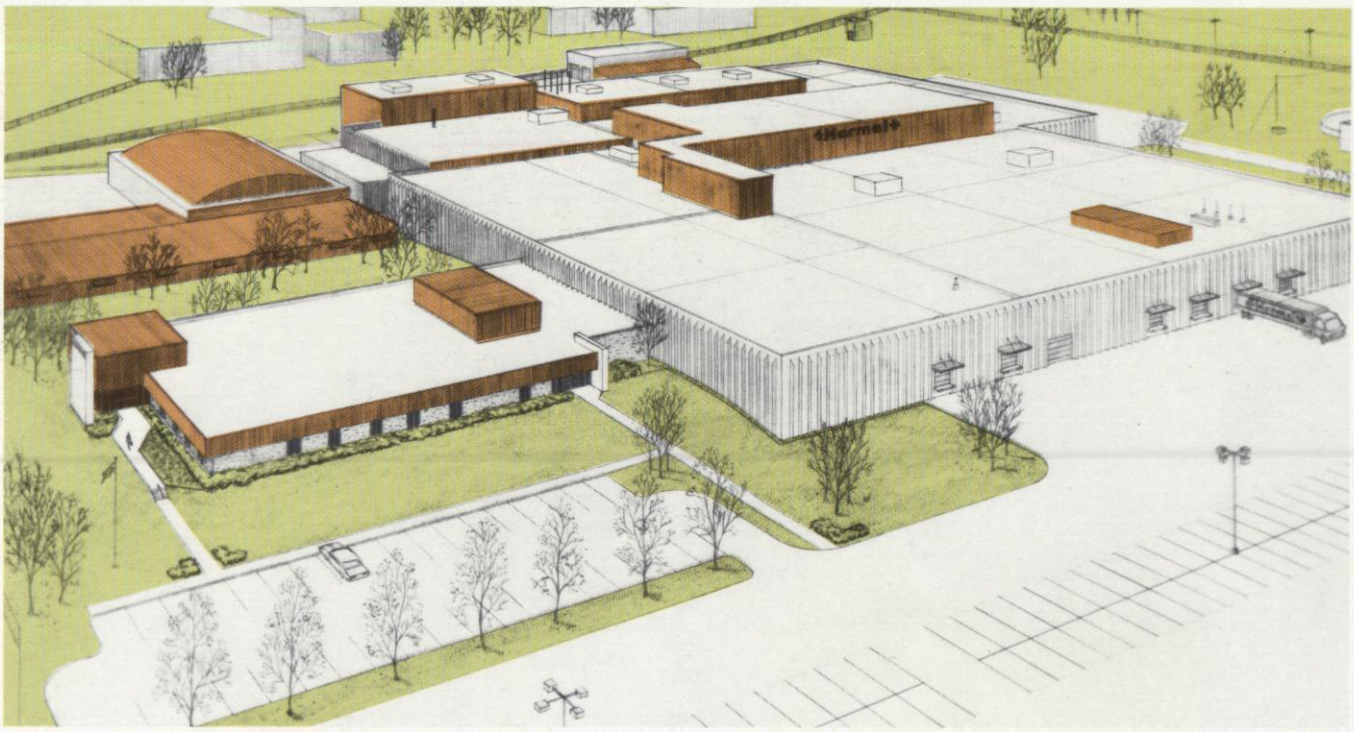
The end result — Hormel seeks to offer the homemaker the best value for her food dollar today, just as in 1891.





Food Prices

The total that rings up on the cash register at the food store check-out counter usually is more than you expected. Naturally, you want to know why.



Artist's sketch of new hog slaughtering and processing plant in Ottumwa, Iowa.

An Investment in Tomorrow

Continuing capital improvements have helped Hormel to meet the growing and changing needs of customers, to partially offset the impact of rising costs, and to supply products of finer quality.

The Hormel Company's financial progress through fiscal 1974 was accompanied and supported by major expansions in plant facilities and by continuing improvement of management procedures to assure further growth and maximum operating efficiencies.

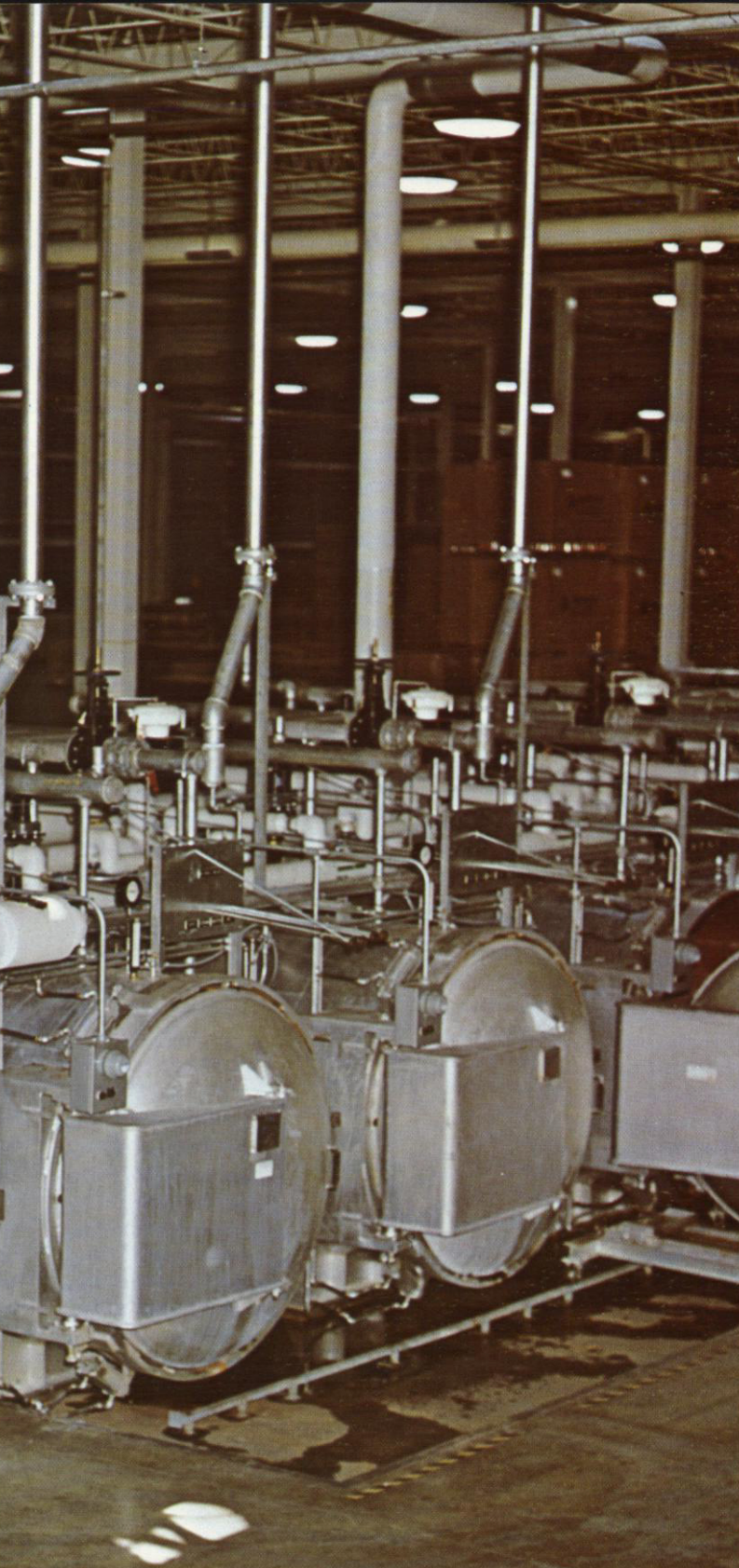
New Slaughtering Plant Under Construction In Ottumwa, Iowa

Construction of a new hog slaughtering and processing plant in Ottumwa, Iowa, began in late 1974.

The 345,000 square foot facility, located on a 40-acre site, is one of the largest ever constructed by the Hormel



A variety of chemical, biochemical and microbiological tests are conducted in the Company's enlarged Research and Development Building in Austin, Minn.



An interior view of the retort cooking area in the 250,000 square foot Beloit, Wis., canning and warehousing plant.

Many of the Company's top-selling canned meat items, along with the complete line of Hormel vending products, are now produced in this modern facility and distributed to customers in the east central United States.

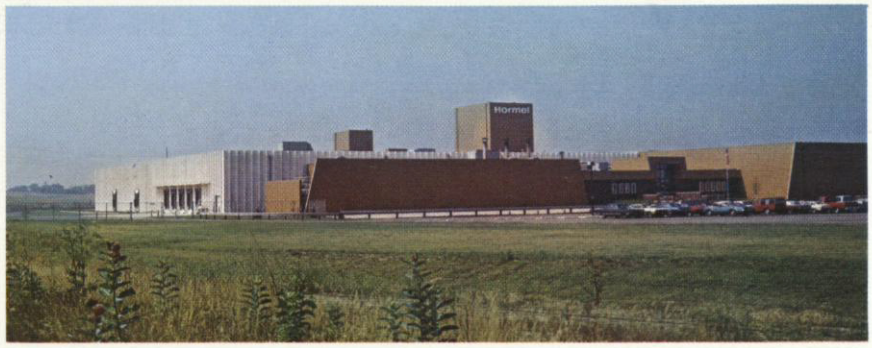
Company. The plant area — consisting of 252,000 square feet — will provide the capability for the slaughtering and processing of 800,000 hogs annually. Manufacture and packaging of smoked meats, including Cure/81 Hams, bone-in hams, smoked pork loins and bacon, will also be carried on in this new structure.

The facility is situated in one of the best livestock-producing areas of the country. It is in a favorable geographic position for transporting of finished product by truck or rail.

Slaughtering and production operations are expected to commence in the second half of 1976.

Construction Started On New Plant In Houston, Texas

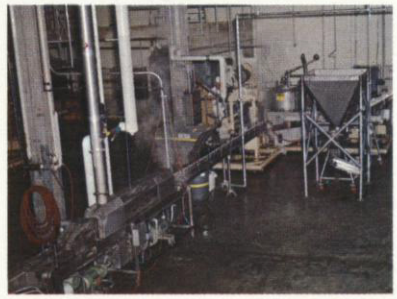
In late fall, construction was started on a 90,000 square foot distribution plant in Houston, Texas. The new plant is being built on a six-acre site of land in the Park 10 Industrial Park.



Beloit, Wis., canning and warehousing plant.

A variety of smoked sausage products — including smoked sausage no-link, cooked salami and bologna — will be produced. A forward-flowing continuous wiener processing system will also be installed, providing greater production capabilities and assuring uniform quality.

Hormel products manufactured in Houston will be distributed throughout the Southwest, further enhancing the Company's ability to serve retail and wholesale markets in this growing area.



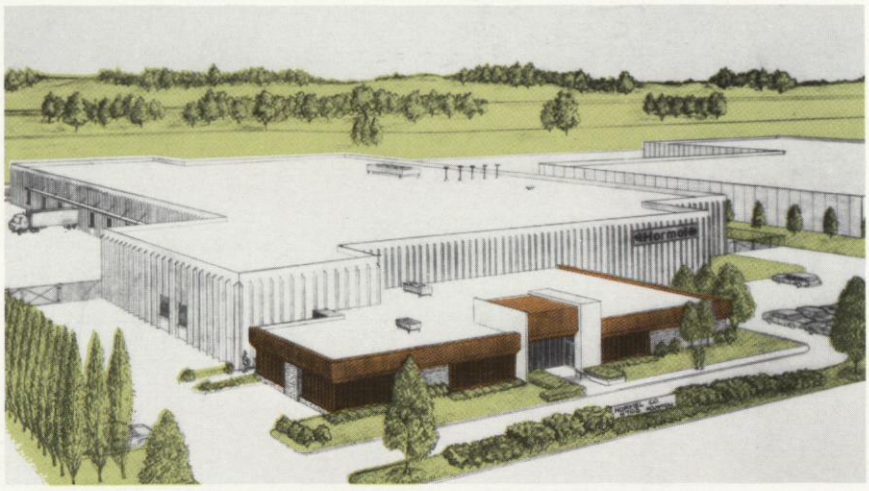
Interior view of Beloit, Wis., plant.

The Houston plant — as with all plants designed by the Company's Corporate Engineering Department — will be equipped to take full advantage of the very latest in sanitary, engineering and processing techniques.

Many Capital Additions Completed During Fiscal 1974

The 250,000 square foot Beloit (Wis.) canning and warehousing plant has been in full operation for nearly one year.

Hormel Chili, Mary Kitchen Roast Beef Hash, Mary Kitchen Corned Beef Hash and the Company's line of 7½-oz. vending products are produced in this modern facility.



The Houston, Texas, distribution plant is now under construction.



Algona, Iowa, dry sausage manufacturing plant.

Construction Completed At Algona, Iowa, Dry Sausage Plant

In Algona, Iowa, the Company's dry sausage manufacturing plant was enlarged by nearly 35 per cent. A 30,000 square foot addition was constructed — increasing the size of this facility to 115,000 square feet.

Expanded drying rooms, freezer space and dry storage area have increased the Company's ability to provide high quality dry sausage to a growing and discriminating market.

Research & Development Building Addition Completed in Austin

The 32,000 square foot addition to the Company's Research and Development Building in Austin, Minn., was completed in 1974. The first phase, constructed in 1968, consisted of 11,150 square feet.

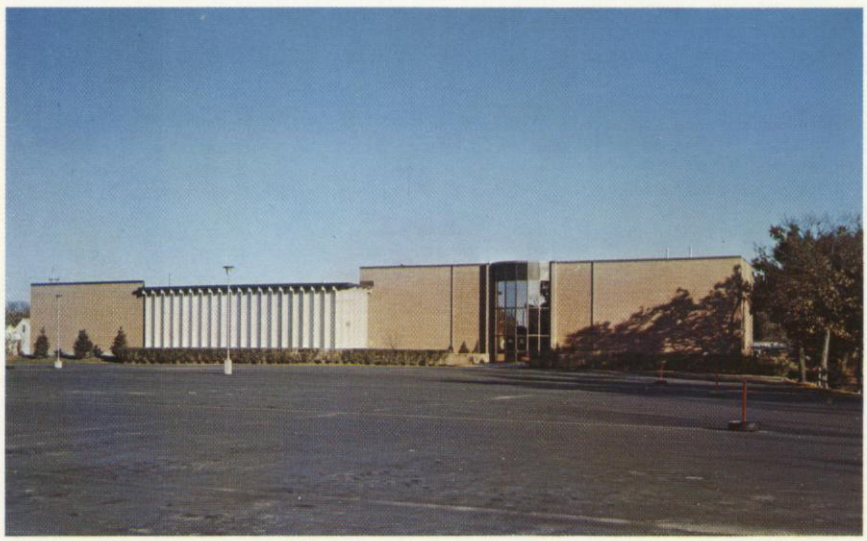
Nutritional analyses, sensory evaluation, more familiarly known as "taste panel" tests, shelf life studies and packaging research functions will be performed in the new building.



R & D taste panel tests.

Eleven different analytical and research laboratories are available for conducting chemical, biochemical and microbiological studies.

The Company continues its long-standing program of investigating and developing potential new products and extensions of existing product lines.



Research and Development Building — Austin, Minn.

Waste Treatment, Odor Abatement Projects Protect Environment

The Company's capital improvements program in recent years included construction of a new industrial waste treatment plant in Austin, Minn.

The new treatment plant, now completed, is capable of handling the disposal of all industrial waste from the Company's Austin plant — the largest in the Hormel organization, also the "home" plant.

The Hormel Company designed and paid for this facility. It is now in operation and has been turned over to the City of Austin. The cost of operation and maintenance of the plant will continue to be assumed by Hormel.

The first of a three-phase odor abatement system was started at the Austin plant in early 1974. The $1 million project, when completed in January, 1977, is expected to assure the Hormel Company of meeting all air quality standards.

Smoked Meats Expansion Completed at Fremont (Neb.) Plant

A number of Hormel smoked meat items — including Cure/81 Hams, Curemaster Hams, smoked pork loins and bacon — are now being produced in the enlarged and renovated plant facilities in Fremont, Neb.



View of completed industrial waste treatment plant in Austin, Minn.

A 17,500 square foot addition was constructed adjacent to existing smoked meats manufacturing facilities. New processing ovens, offering maximum productivity and uniform quality, have been installed. Cooler space was enlarged and the packaging area expanded.

The modern facilities in Fremont offer substantially greater production capabilities and allow for a new level of distribution to customers.

Capital Investments Provide Impetus For Future Growth

Continued capital investment in modern and efficient facilities has been critical to Company growth in the past — it is no less important for the future.



New smoked meats facility constructed at Fremont, Neb.



"Handy Prepared Servings" from Hormel.

The Hormel Company has grown into a world-wide organization by meeting consumer demands — providing homemakers and their families with what they need and want.

Retail introduction of the Hormel Company's line of single-serving entrees — for many years available through vending machines — was begun in mid-1974.

Fourteen products were introduced, joining the four items — Hormel Chili, Dinty Moore Beef Stew, Mary Kitchen Roast Beef Hash and Mary Kitchen Corned Beef Hash — which have been available in single-serving size at the retail level for some time.

The new entries, including Rice 'n Chicken Creole, Scalloped Corn 'n Ham and Macaroni 'n Cheese, are marketed in 7½-oz. easy-open cans under the Hormel, Dinty Moore and Mary Kitchen brands. A marketing theme was developed, entitled "Handy Prepared Servings," which conveys the convenient, ready-to-serve features of this product line.

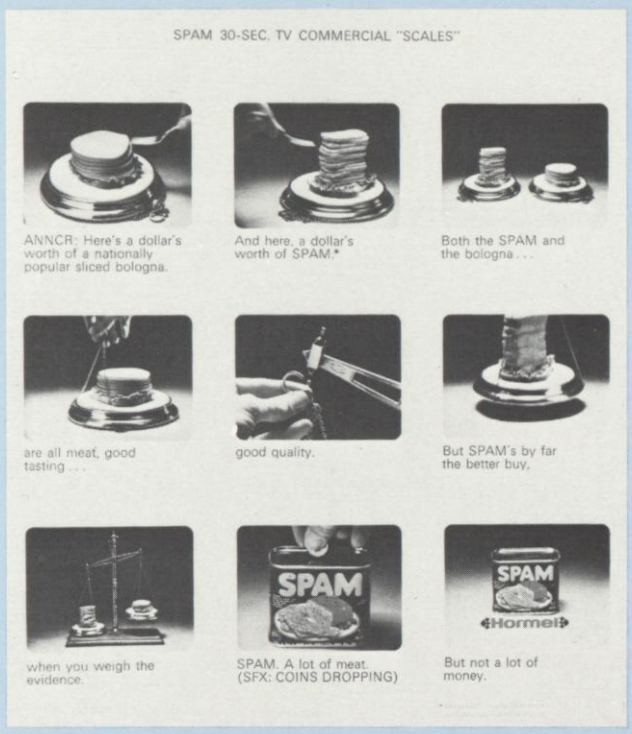
A colorful label design was created which included a spoonful of product appearing on the front panel of each can. This concept has proven effective in providing better identification and visibility of the product on supermarket shelves and has enhanced consumer taste appeal.

Serving Consumers at Home and Away

The Company's success is built on a reputation for producing quality products which offer high standards of taste, nutrition and value to the consumer.







Daytime and nighttime television commercials on all three major networks, large space newspaper advertisements, radio spots, appetite-appealing, full-color advertisements in major women's and family magazines and new point-of-purchase materials — they all added up to millions of exposures for Hormel products.

The front and back side of the next three half-size pages provides samples of advertising and merchandising programs that have helped make consumers aware of the fine products produced by the Hormel Company. Many of these newspaper, radio and television marketing efforts promote Hormel products and, at the same time, demonstrate many interesting and economical uses of our food products.

Save a dime and clear your sinuses.



Or just save a dime.



When we decided to make a hot no bean chili, we didn't fool around. Of course, it may not really clear your sinuses, but it's pretty darn hot. There are some people who won't settle for anything less.

Then there are others who want The Good Time Chili in the regular variety. And they won't settle for anything less.

Now you can get either kind of Hormel No Bean Chili for 10 cents off. And that's something less anybody will settle for.

10¢ OFF

On Hormel No Bean Chili, regular or hot.

Mr. Grocer: Hormel will redeem this coupon for 10¢ plus 3¢ handling when received from consumers properly completed with the name of this store. Any other application constitutes fraud. Invoices showing purchase of coupon stock sufficient to cover redemption required must be shown upon request. Coupon void where prohibited, taxed or restricted. Customer must pay any sales tax. Offer good only in U.S.A. Redemption required by Hormel, Box 807, Clinton, Iowa 52732. Cash value 1/20¢. Mail to: Grocer, Anywhere.

America's Favorite Chili Maker.

Hormel
FINE FOOD PRODUCTS



Have dinner for lunch.

This is a family that gets a lot out of life. They work hard and play hard. All day long. And they build up quite an appetite.

A family like this needs a lunch that can really stay with them.

That's where Dinty Moore comes in.

Dinty Moore Beef Stew contains the same good things you'd expect in a good dinner. Meat, potatoes, carrots and a good meat gravy with bits of beef right in it. Mmm!

A meal like this really satisfies, just like a good dinner. It's just more convenient.

So you can have it for lunch.





Hormel
FINE FOOD PRODUCTS

New symbol.

Frozen Food Line Introduced In Fiscal 1974

Responding to the public's growing acceptance of frozen meats and prepared foods, the Hormel Company entered the frozen food business in 1974 "with a roar."

A 1,000-pound polar bear, an unmistakable symbol of cold, is being used in a series of 10-second television commercials to create a consumer awareness of the Company's new line of frozen foods.

Dinty Moore Beef Stew — a long-time consumer favorite — is now marketed in grocers' frozen food cases. A new package design was developed which retained the familiar Dinty Moore plaid image. The product, packed in an aluminum tray, can be easily removed from the carton, cooked and served.



New additions to frozen food line.

Dinty Moore Beans 'n Bacon and Hormel Lasagna will be introduced during the coming year as two new additions to the frozen food line.

New Labels Designed For Vienna Sausage, Hormel Chili Line

An improved label design for Hormel Vienna Sausage is expected to strengthen future growth of this 5½-oz. product.

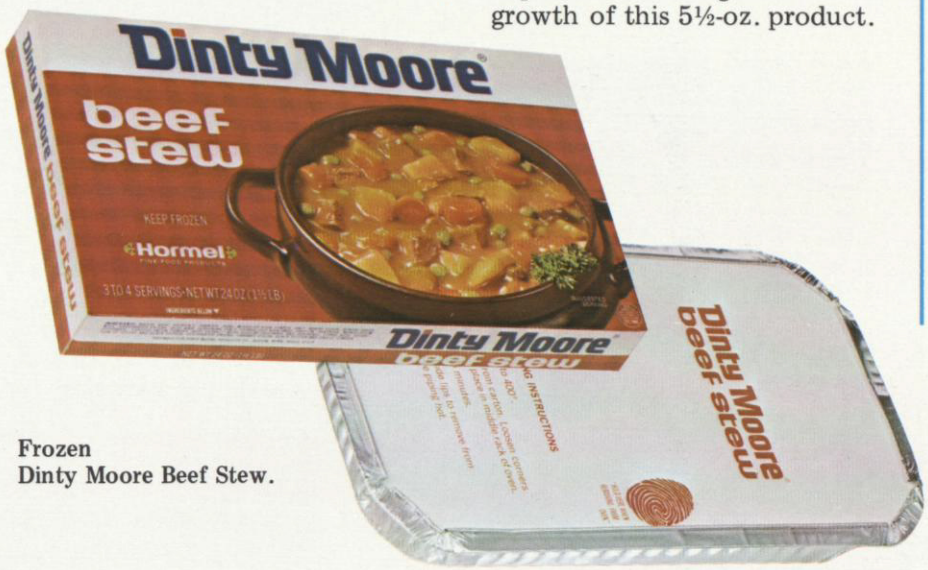
With a new product illustration and eye-appealing lettering design, the label will provide better visibility of product from the shelf and improved readability of the brand name.

Canned chili is very widely enjoyed — particularly in the Southwest, West and Southeast.

Foremost has been the Hormel line of chili — Hormel Chili With Beans, Hormel Chili Without Beans and Hormel Hot Chili, also available with or without beans.

In early 1975, the entire Hormel Chili group — 7½, 15, 24 and 40 oz. sizes — is to appear in a new label.

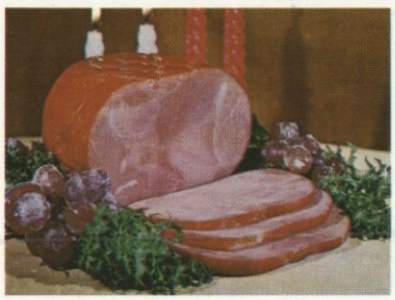
Appetite appeal is enhanced with the reproduction of prepared foods — hot dog, radishes, cheese and crackers — on the label. The label is expected to convey the Company's "Good Time" marketing theme that chili is a quality, fun-to-serve product appealing primarily to young adults.



Frozen
Dinty Moore Beef Stew.



E.X.L. Ham.



Curemaster Family Ham.

E.X.L. Ham Now Distributed Nationally

Increased production capacity at Company plants in Austin, Minn., and Fort Dodge, Iowa, enabled the E.X.L. Ham to be moved from regional to national distribution. Coinciding with this move, an E.X.L. Ham advertisement appeared nationally in the Jolly Holiday section of the December issue of Reader's Digest.

The E.X.L. Ham was introduced four years ago. It has attained favorable consumer demand because of its unique guarantee of quality on the label.

Two newer Hormel products continued their steady pattern of growth.

Curemaster Family Hams — introduced in 1970 — are now being moved into national distribution. Consumer response to this small (1½ to 2¼ lb.) family size ham has been stronger than ever. Increased production capacity now provides the means for additional future growth.

The Curemaster Family Ham appeals to a specific segment of the boneless ham market — small families of up to five people and young households.

National distribution of this lean, small boneless ham is aimed at making ham an everyday family meal.

Another new product, Range Brand Wranglers, introduced in selected markets only two years ago, has exceeded Company sales projections and has also been placed in national distribution.

Packaged eight to a pound, Range Brand Wranglers are larger than most regularly packed "hot dogs." This larger all-meat wiener is more coarsely-ground and is heavily-smoked and adult-spiced for a deeper, richer taste.



Range Brand Wranglers.



Hormel luncheon meats.

Packaging Improvements Aid Freshness, Flavor Of Hormel Foods

Over the years, innovative efforts have produced new processes, new methods of packaging, new flavors and other improvements — all aimed at furthering the traditional quality and flavor of food.

At the Hormel Company, packaging is one area of innovation that has helped to provide improved foods in the "old tradition."

One example is a new package for Hormel luncheon meats. The freshness and flavor of this diversified product line has been assured and the handy-sized, clear packages now offer many important features to both retailer and consumer.

Completely vacuum-sealed, the package has a longer shelf life and is easier to display in all types of in-store meat cases. Easy-to-open and easy-to-use, the packages are attractive, eye-appealing and available in a variety of sizes.

Consumers find Hormel luncheon meats are especially appropriate for school lunches, snacks or picnics and at informal dinner parties.

The Outdoor Bacon.



Sliced thick on purpose. Hormel's Range Brand Bacon. This bacon tastes like you cooked it out doors. Cut from lean, meaty slabs. The kind of bacon most men like.

Hormel



The one night ham.

When you want a great little ham, choose Hormel's Curemaster Family Ham. At 1¾ to 2¾ pounds, it's big enough for a family meal without leftovers. And small enough to eat in one night. Small, but just as dependably lean, tender and flavorful as our famous big ham, Cure/81.

Its big advantage is its small size.



8 to a pound instead of 10.

Range Brand Wranglers

Bigger, smokier, coarser-ground.



Wranglers are a whole, different breed of franks, 25% bigger than most regular "hot dogs." We grind the meat coarser, so Wranglers are firm and solid. And we smoke 'em longer for a richer, deeper taste. Range Brand Wranglers can satisfy grown-up appetites — if the kids don't get 'em all first!

Hormel

A FEDERALLY INSPECTED PRODUCT



Every Cure 81 Ham goes through 17 demanding Hormel inspections. Only then is each Cure 81 numbered and registered. Registered lean, tender and flavorful. You can depend on it. Hormel

FINE FOOD PRODUCTS

Why don't you put some SIZZLE in your breakfast?



'ep up tired meals with the sizzle of Little Sizzlers. 'hese spicy, plump, skinless links have a sizzlin' lavor that comes from a secret seasoning recipe.

They're more tender, easier to cook, quicker to brown Hormel Little Sizzlers... made of pure fresh pork. Start serving Sizzle at your house today.



The Sizzlin' Breakfast

Hormel

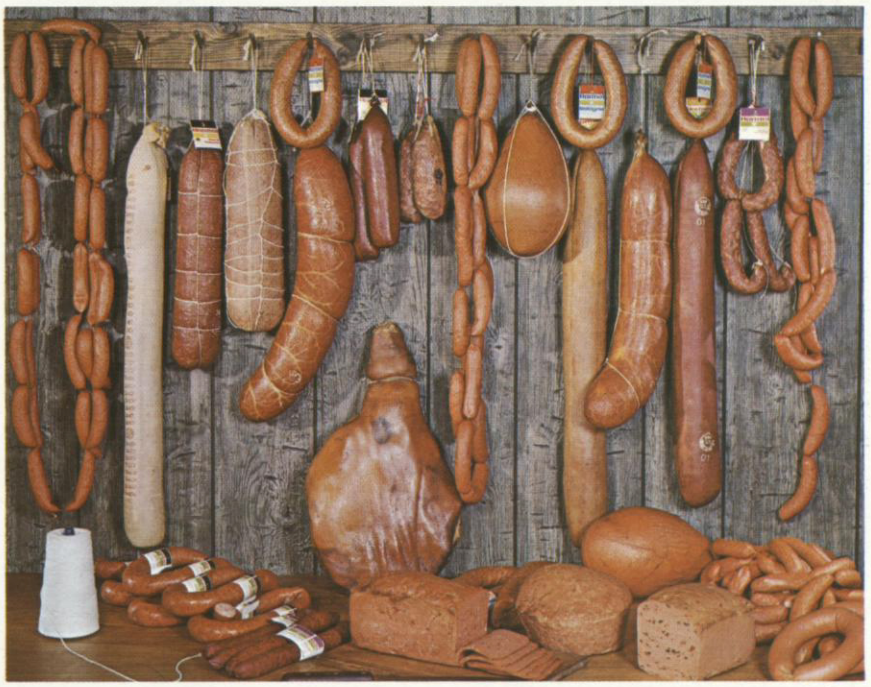
A FEDERALLY INSPECTED PRODUCT

Hormel Bacon — Black Label Bacon, Range Brand Bacon, Old Smokehouse Bacon and all other varieties — will soon appear in completely vacuum-packaged cartons.

Increased shelf life is one important feature of vacuum-packaging. Improvements in Hormel Bacon packaging will provide greater protection and convenience for the consumer and give assurance of full freshness and flavor.



Smoked No-Link Sausage.



Hormel sausage, ham and cold cuts for "deli" operations.

Smoked No-Link Sausage Ideal for Many Eating Occasions

Breakfast, brunch or as an ingredient in casseroles, Hormel Smoked No-Link Sausage is providing today's homemaker with versatility in menu-making.

Produced from lean, fresh pork, No-Link Sausage is specially-seasoned and then smoked in a controlled climate to bring out the full flavor.

No-Link Sausage continues the Company's tradition of meeting consumer demands for variety, excellence and ease of preparation.

Deli Operations Offer New/Old Market For Sausage Products

Most new supermarkets and many existing supermarkets contain a section which tries to recapture the nostalgia of the "old-time" delicatessen. An ever-increasing number of shoppers are buying a larger percentage of their weekly food needs through these "deli" departments which offer convenience, quick service and premium quality. The Hormel Company's reputation for fine sausage, ham and cold cut items makes this an area of the supermarket with promising potential.

To help retailers promote their deli operations, Hormel developed a promotional program offering complete kits of colorful in-store materials based around four themes — Festa Italiano, Old Time Deli Days, Super Sandwich Time and Polish Festival.

These display kits contain colorful window posters, aprons, name tags, mobiles, dummy sausages and other materials designed specifically to give each deli a festive, colorful atmosphere which helps in attracting the shopper's attention. This promotional package has helped increase the distribution of Hormel sausage items in many of the major supermarket chains across the country.



Popular dry sausage products.



Hormel Pepperoni for pizzerias.

Popularity of Pizza Stimulates Sales of Hormel Pepperoni

As in other product categories, the Company's success with dry sausage products has resulted from the ability to respond to consumer demands.

The surging popularity of pizzerias and increased sales of frozen, ready-to-serve pizzas for home consumption has contributed to a new level of sales for Hormel Pepperoni.

The Hormel Company produces many different varieties — ranging from packaged, vacuum-packed slices for the consumer to sticks of various sizes to be sliced at the delicatessen. The 3½-pound can, with the pepperoni sliced to a prescribed uniform thickness and then vacuum-sealed to retain authentic flavor, has proved popular with many pizzerias and supermarkets which have their own in-store bakery sections.

Pepperoni also has a wide use in a tossed salad, with eggs, in a spaghetti sauce and as a colorful and tasty portion of Italian antipasto dinners.

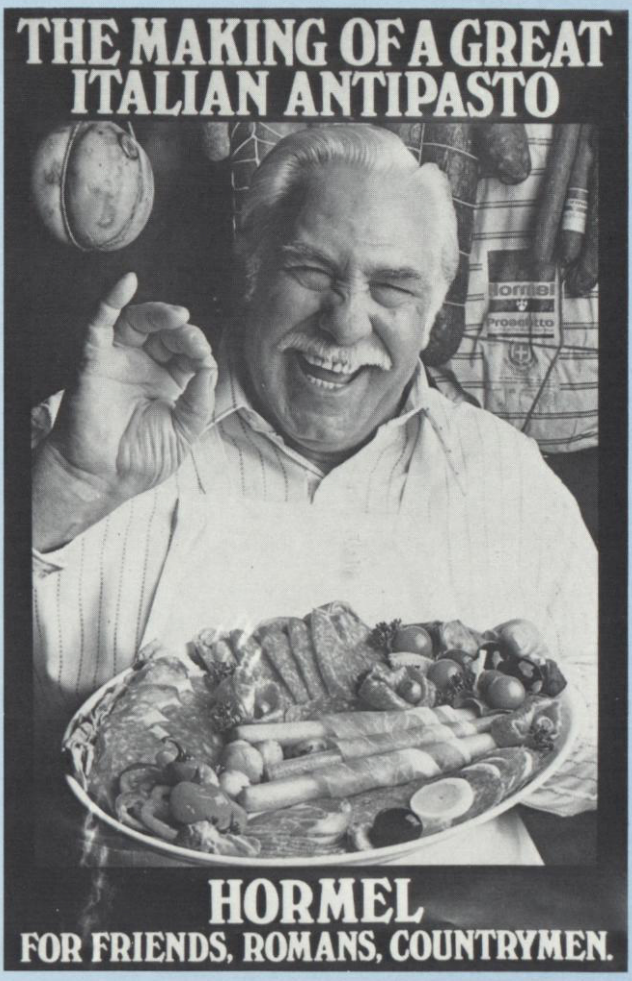
Food Service Division Introduces Vending, Frozen Entree Products

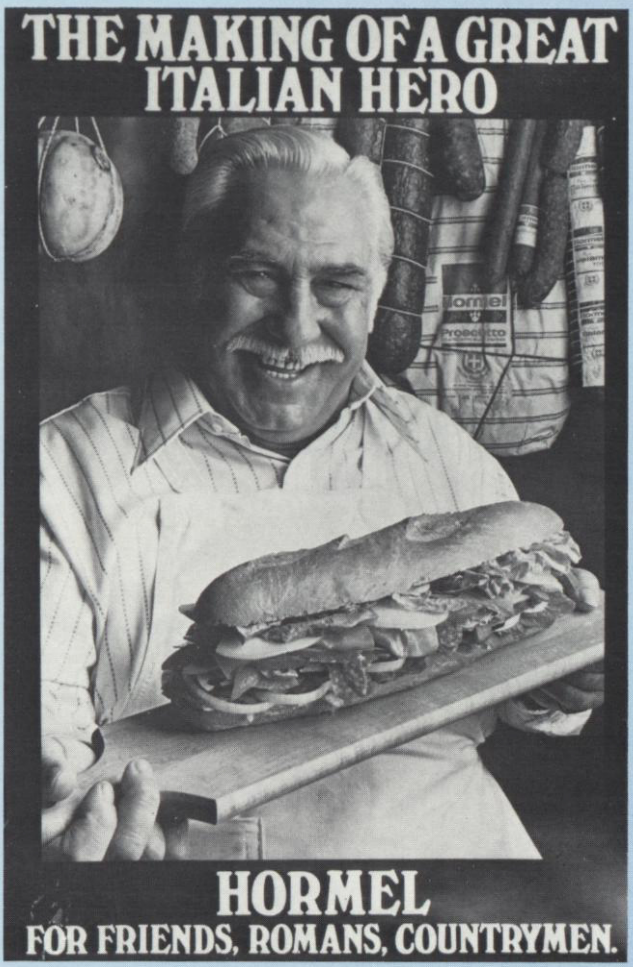
An Italian trio — Lasagna, Spaghetti 'n Beef and Spaghetti 'n Meat Balls — have been introduced as part of the Company's hot food vending line. Hormel Tamales, for many years marketed in the 15 oz. size to retail stores, and Dinty Moore Hashed Potatoes 'n Beef have also been moved into nationwide vending and mobile catering markets.

Frozen entrees for mass feeding are produced at the Company's new Fine Frozen Foods plant in Oklahoma City, Okla. Two new items — Sweet 'n Sour Pork and Char Patties — were introduced during the year.



Hormel Tamales in popular 7½-oz. size.


THE MAKING OF A GREAT ITALIAN ANTIPASTO
HORMEL
FOR FRIENDS, ROMANS, COUNTRYMEN.


THE MAKING OF A GREAT ITALIAN HERO
HORMEL
FOR FRIENDS, ROMANS, COUNTRYMEN.



Kid food that doesn't kid mothers.

Hormel knows today's mothers want the facts about what they feed their families.

So we don't kid you about what's in Hormel wieners. You can read our ingredients right up front on the label. Good beef. Good pork. No cereal or other fillers. This protein is the same high quality, complete protein as you get in any good meat.

We don't kid you about nutrition, either. Protein, vitamins — all the nutrients in Hormel wieners — are also listed on our label.



But we haven't forgotten that hot dogs are really fun food for kids. So we make 'em tender, juicy and gently spiced to suit young tastes. And kids really do like Hormel hot dogs. Almost as much as their mothers do.

Hormel
FINE FOOD PRODUCTS

THE COIN COLLECTORS.

The label outside sells 'em the first time. The quality inside brings 'em back for seconds.

You're serving the people's choice when you serve Hormel, Dinty Moore and Mary Kitchen foods and Welch's Jujies®. Because they're the same delicious high quality brands folks serve at home.

And we make these foods even more inviting to your customers with easy-open cans that don't need a can opener. Just one easy pull and they're open and ready to eat.

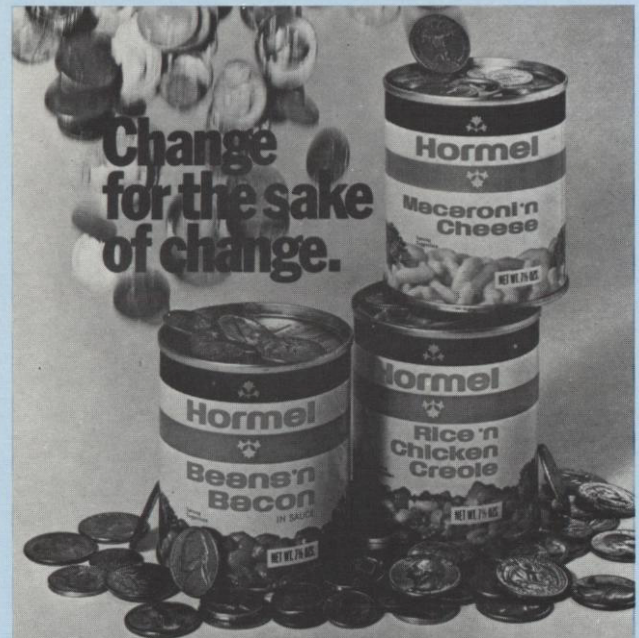
Add to this Hormel's nationwide network of distribution warehouses that gets products to you promptly, and you've got a real winner.

Want more facts? Write: Tom McConnell, Product Manager, Vending & Mobile Catering, Geo. A. Hormel & Co., P.O. Box 800, Austin, Minn. 55912.

Put the Coin Collection to work for you. They'll help you make a mint.

Hormel
FINE FOOD PRODUCTS





Add more variety to your menu with these 3 new vend items.

Macaroni 'n Cheese brings the money out of the pocket any day of the week.

Beans 'n Bacon is another Americana standard.

And **Rice 'n Chicken Creole** is a change of pace that really pays off too.

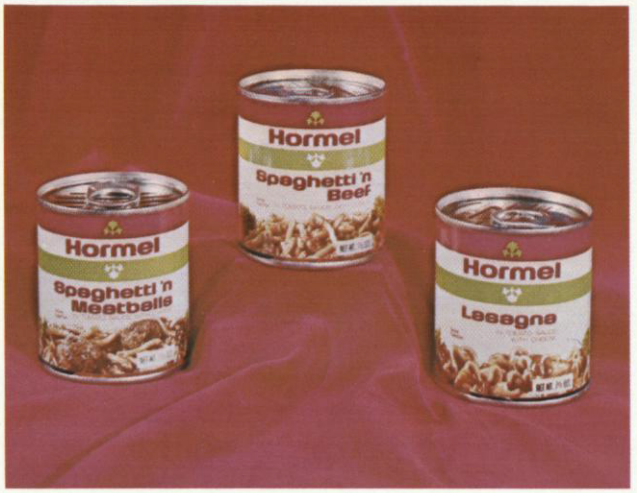
The way we figure it, the more choice your customers get, the more likely they are to come back again and again.

That's change for you. Quarters, nickels, dimes and more dimes.

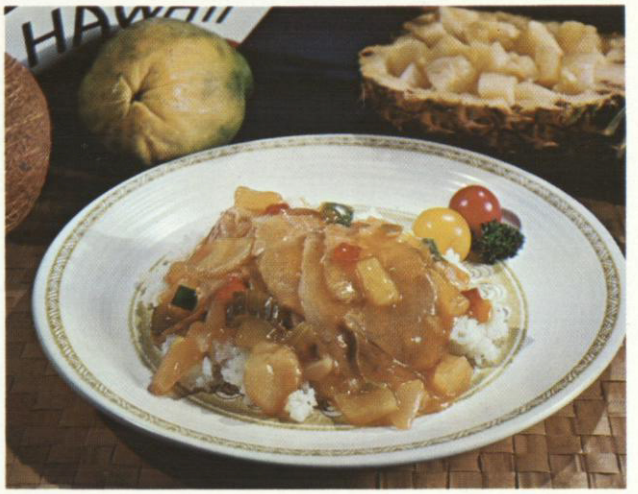
Write to us for more facts. Vending Department, Geo. A. Hormel & Company, Box 800, Austin, Minnesota 55912.

The newest coin collectors from

Hormel
FINE FOOD PRODUCTS



New hot food vending items.



Sweet 'n Sour pork.



Char Patties.

Bulk Gelatin Has Variety of Applications In Other Industries

A great many of the Hormel Company's products are well known. Many others are not generally known; but as ingredients in products made by other companies, they benefit countless people every day.

An important and steadily growing part of the Company's business is the sale of bulk gelatin to candy and confectionery companies as an ingredient used in the manufacture of marshmallows, to the baking industry for use in cakes, pies and other pastries and to ice cream manufacturers where gelatin provides the product with a smooth texture.

Other buyers of Hormel gelatin include pharmaceutical houses where the product is used in the manufacture of capsules which serve as a carrier for the administration of drugs and the photographic industry where all film requires gelatin as an emulsion to hold the chemicals on the paper.

The cosmetics industry uses gelatin in the manufacture of lipstick, creams and hair waving preparations. Hormel and other meat packers use gelatin in the canning of hams and in the preparation of various luncheon meats and sausages.



Hormel gelatin has diversity of uses as an ingredient in other products.

International Operations

The Hormel Company places increasing emphasis on the promising opportunities for future growth in areas outside the U.S. Experience has shown that Hormel products are well accepted in foreign nations.

Fiscal 1974 witnessed a continued expansion of Hormel growth abroad. Long-range opportunities can be described as excellent and growing.

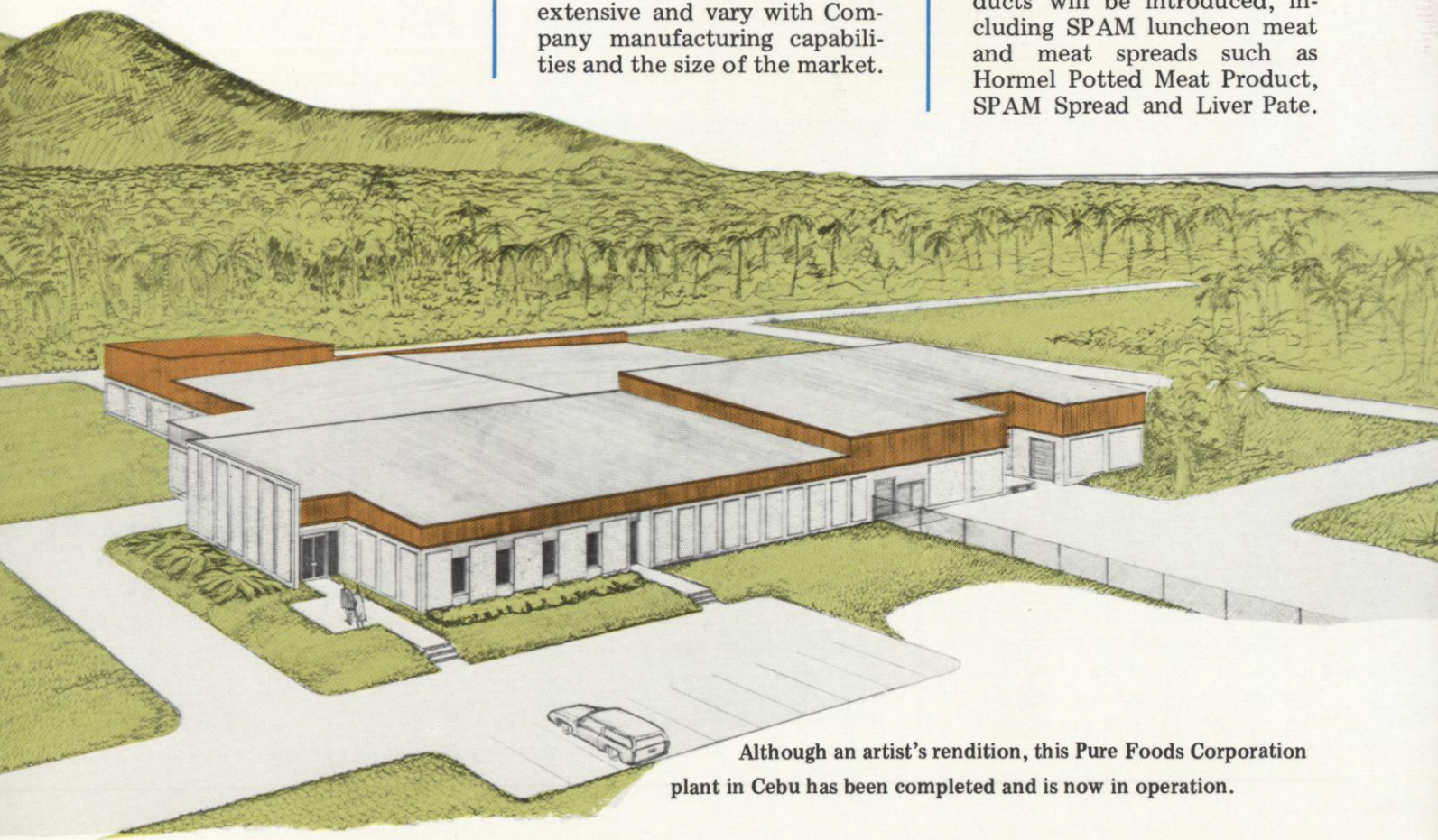
The Company's policy is to follow the quality standards and manufacturing procedures that have proven successful in the United States. Product lines, however, are not as extensive and vary with Company manufacturing capabilities and the size of the market.

Products Introduced, New Plant Built In Philippine Islands

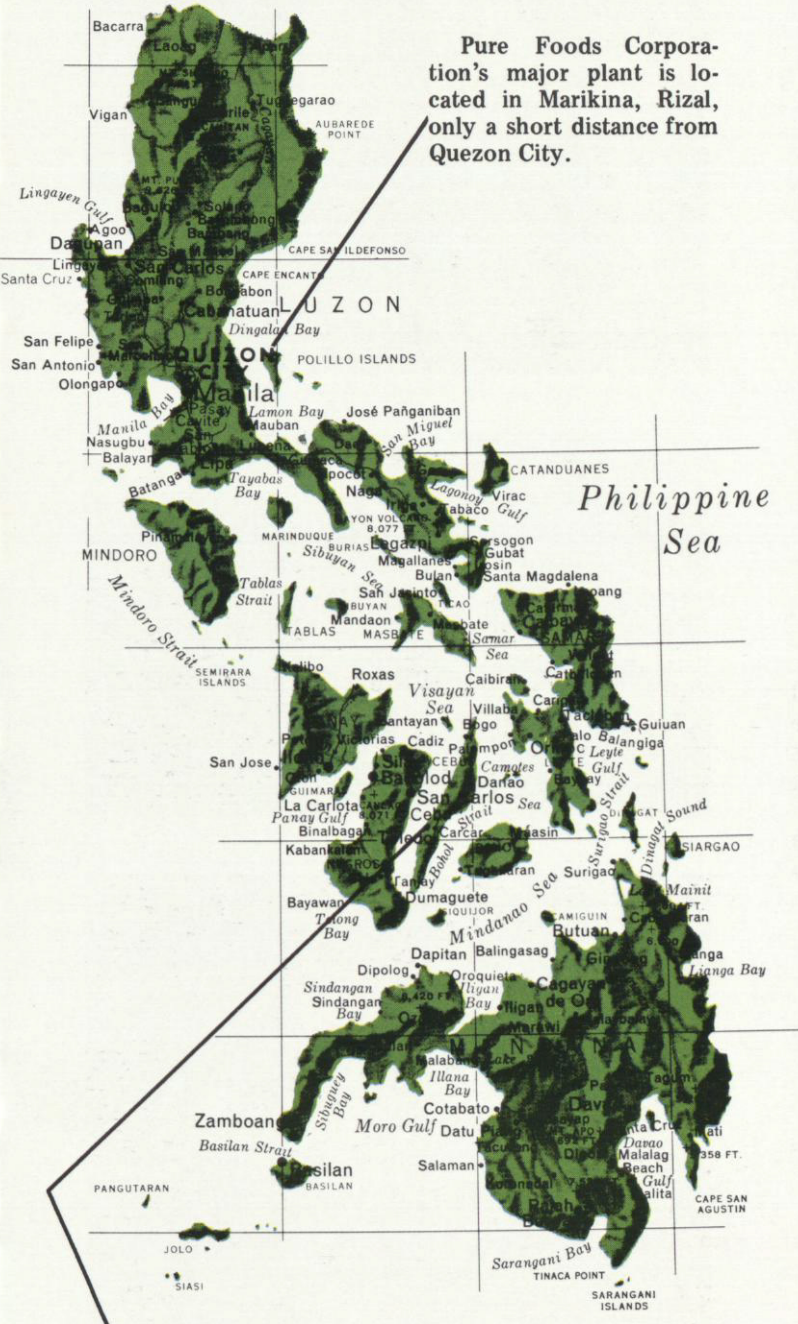
In 1972, Geo. A. Hormel & Company, through its international subsidiary, Hormel International Corporation, acquired a financial interest in Pure Foods Corporation, a large publicly-held food company in the Philippine Islands. Under terms of the agreement, Pure Foods Corporation was given the exclusive right to manufacture and market Hormel products in the Philippines.

Since this time, Hormel All-Meat Wieners, Gold Label Bacon and Hormel Vienna Sausage have been introduced. The market launchings were accompanied with moderate but well directed print advertising and massive in-store sampling and merchandising.

In 1975, more Hormel products will be introduced, including SPAM luncheon meat and meat spreads such as Hormel Potted Meat Product, SPAM Spread and Liver Pate.

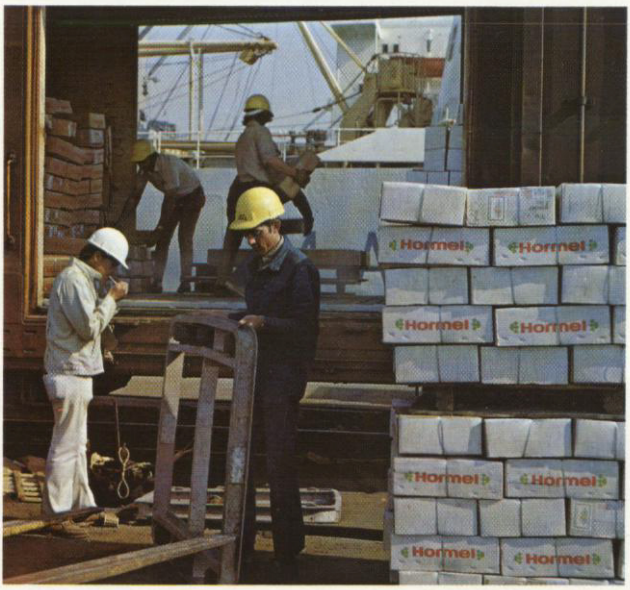


Although an artist's rendition, this Pure Foods Corporation plant in Cebu has been completed and is now in operation.

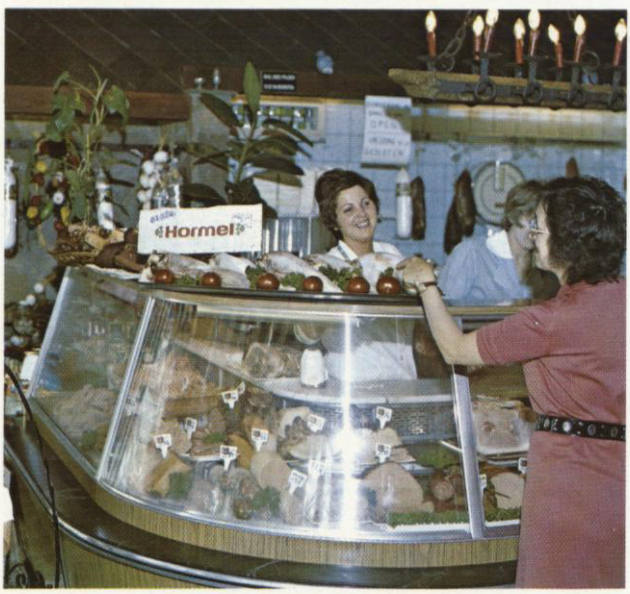


Pure Foods Corporation's major plant is located in Marikina, Rizal, only a short distance from Quezon City.

A new processing and canning plant was constructed in Cebu. The new plant will also be producing the line of Hormel foods.







Top photo: This photograph was taken in Kenosha, Wis., where many of the Company's beef and pork offal items leave by ship to overseas ports.

Center photo: A load of Hormel products being unloaded in Rotterdam, Holland.

Bottom photo: A display of Hormel beef tongue in a leading European delicatessen. Kidney pies, canned tongue and liver pate are very popular in foreign markets.

These Hormel products are produced in the Marikina, Rizal, plant of Pure Foods Corporation. The plant was extensively enlarged and renovated in 1974, providing added freezer and cooler capacity and needed improvements in slaughtering and processing operations.

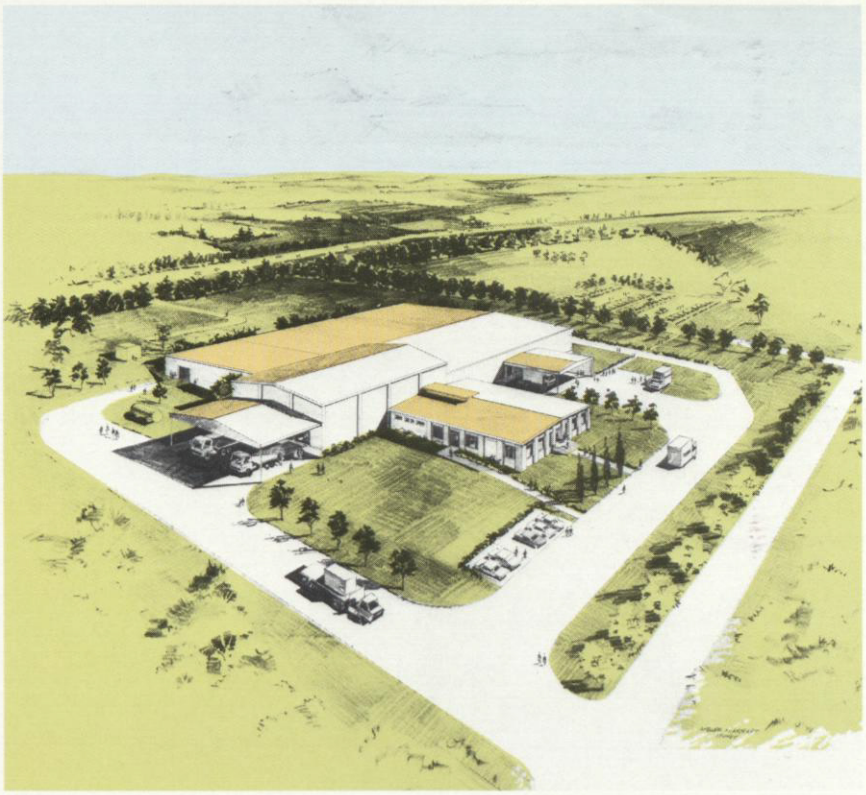
To better serve the growing potential market in the Philippines, Pure Foods Corporation has constructed a major meat processing, fish canning, fruit and vegetable processing plant in Cebu.

Distribution Widened, Products and Facilities Added in Australia

One of the Company's recent activities has been in the Pacific where Hormel Cerebos Pty. Ltd. has worked to develop a consumer oriented meat operation.

In mid-1974, Hormel Cerebos acquired the assets of a small meat processor in Orange, Australia, situated about 160 miles west of Sidney. This firm, known as the Landrace Bacon Company, distributes a wide range of hams, bacon and sliced meats.

Construction has also commenced on a $2 million plant capable of canning SPAM, hams and other products now produced in the Landrace facility in Orange. The plant is being built in Blayney, a small town located in the middle of a government-sponsored growth area with a proposed population of 300,000.



Artist's sketch of proposed plant in Orange, Australia.

The meat processing and canning plant is expected to be fully operational in the last half of 1975 and will provide excellent opportunities for Hormel Cerebos to introduce new processed and canned meats in Australia.

Market Growth Strengthened In Far East

Products produced and sold abroad are developed to meet established consumer needs.

In Okinawa, Mary Kitchen Corned Beef Hash, Hormel Beef Stew and Hormel Spaghetti Sauce are now produced by The First Enterprise Corporation in which Hormel has a financial interest. A canned pork luncheon meat will be introduced in 1975.

Studies are also being conducted for the possible manufacture and marketing of hams and sausages in Japan.

Export Sales of Hormel Products Also Increase

While products manufactured abroad by Hormel International affiliated companies accounted for the bulk of increasing sales abroad, Company exports to foreign markets from this country are also a growing part of our international business.

A complete line of Hormel canned and packaged meat products, gelatin desserts and by-products are sold for export to over 50 countries through Hormel International's subsidiary, Lloyds Trading Corporation of Great Neck, New York.

Common Stock
Listed Midwest Stock Exchange
Traded American Stock Exchange

Auditor
Ernst & Ernst
1800 First National Bank Building
120 South Sixth Street
Minneapolis, Minnesota 55402

Transfer Agent
The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Registrar
Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Annual Meeting
The Annual Meeting of Shareholders will be held on Tuesday, January 28, 1975, in the Austin High School Auditorium, Austin, Minnesota.
The meeting will convene at 8 p.m.
All shareholders are cordially invited to attend.

Form 10-K Annual Report
A copy of Geo. A. Hormel & Company's 10-K Annual Report, filed with the Securities and Exchange Commission, is available upon request to the Secretary of the Corporation.



A Report to Shareholders by I. J. Holton

For Geo. A. Hormel & Company, fiscal 1974 was an excellent year. Growth in every major area of our business — in sales and earnings, in production facilities, and in markets here and abroad — marked your Company's 83rd year.

The improvement in results can be attributed (1) To the absence of labor restrictions on output which handicapped the Company severely for the first several months of the preceding year; (2) To the increased supply of hogs and cattle available for processing, enabling facilities to be more fully utilized and, (3) To the increased flexibility in pricing our various product lines. The 1973 price freeze worked a major hardship on the Company, forcing some key products to be sold at a loss. Our situation was substantially relieved when controls were shifted from specific product prices to overall margins.

Our growth in 1974 was attained despite problems posed by shortages, delivery delays and increasing costs for fuel, packaging and other supplies. Livestock and meat prices fluctuated both rapidly and widely. Special credit for the Company's performance under such trying circumstances belongs to the men and women throughout the organization who coped successfully with these problems. Your Company's greatest strength has always been its people.

M. B. Thompson resigned his position as chairman of the board and as a member of the Hormel Board of Directors on July 22, 1974, concluding 43 years of service. He made a major contribution to the Company's progress over the years. His talents and his friendship will be missed by the organization.

The following pages will provide details of Company performance in individual divisions, summaries of the past year's operations, and a review of the capital investments and developments which will make future growth possible.

The 1974 Financial Section is to be found in the front pocket of this Report.

I J Holton

President